

Technology Finance Partners

“Financial Sales Engineers”

Financial Selling 2009 describes how sales teams can better leverage financing options in the negotiation process.

Don't give away the “cost” of financing & don't position a cash vs. a financed price.

Leverage structures that preserve cash, minimize payback and tie costs to business benefits (as they are incurred *over time*). TFP customer finance programs provide unsecured borrowing, which leaves customers' cash, lines of credit and other sources of borrowing to be used in other areas.

TFP' clients are market leaders, leveraging financial sales programs to sell effectively even through the downturn. Financial flexibility has enabled their customers to continue to invest in technology, improving their business infrastructure and processes. These investments have positioned them well for the recovery, providing competitive advantage and cost savings. TFP's programs make it easier for them to say “yes”.

Global sales and strategy consultants re-inventing the way software is priced, valued and sold.



**PROVIDING PAYMENT FLEXIBILITY
TABLESTAKES FOR IMPROVED NEGOTIATIONS,
IMPROVED MARGINS & CUSTOMER SATISFACTION**

Cash remains “king” to financial decision makers. Liquidity – having enough cash on hand to remain solvent until the capital markets prove more reliable – is a key business driver for every financial decision maker.

In this environment, technology sales teams can make it easier for customers' to say “yes” and for vendors to increase deal size and improve margins.

How? Use payment options as negotiation levers that provide REAL value.

Transaction Size	Term	Payment Option
< \$500K	1 Year	4%
\$500K - \$750K	2 Years	3%
>\$750K	3 Years	Custom

Incorrect negotiation strategy:

We're seeing sales offer “additional” discounts for cash transactions – disclosing the full cost of the “free” financing to the customer.

Correct negotiation strategy:

1. Offer one purchase price – regardless of customer's decision to pay net 30 or with financing.

What do you say when a customer asks for an additional cash discount for net 30 terms?

“The costs associated with the below market interest rate or 0% financing option comes from an internal marketing budget specifically allocated for financed transactions. I am not able to use any of these marketing \$\$\$ to lower the actual purchase price for a cash transaction.”

2. Worst case – if you offer an additional discount for a cash transaction - only offer 50% of the “blind discount” cost for the financing option.

The goal is to reduce customer discount lever and to provide more meaningful concessions. You can use payment terms to negotiate cash sales, but do it in a way that minimizes license carves, maximizes long term recurring maintenance and preserves a higher discount baseline for future sales.